

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of)	DOCKET UE-230482
)	
PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY,)	PROPOSED BUDGET OF THE ALLIANCE OF WESTERN ENERGY CONSUMERS
2022 Power Cost Adjustment Mechanism <u>Annual Report.</u>)	

1 Pursuant to the Washington Extended Interim Participatory Funding Agreement
("Funding Agreement"), approved by the Washington Utilities and Transportation Commission
("WUTC" or "Commission") in Order 02 in Docket No. U-210595, the Alliance of Western
Energy Consumers ("AWEC") hereby submits its proposed budget in the above-captioned
proceeding.

2 On June 15, 2023, PacifiCorp d/b/a Pacific Power & Light Company
("PacifiCorp") filed its 2022 Power Cost Adjustment Mechanism ("PCAM"). The Commission
docketed this filing as UE-230482.

3 Docket UE-230482 is an Eligible Proceedings for Fund Grant under Article 1(c) of
the Funding Agreement. Accordingly, a Fund Grant may be made for this proceeding under the
Funding Agreement.

4 Concurrent with this filing, and as required by Article 6.2 of the Funding
Agreement, AWEC is submitting its Request for Case Certification and Notice of Intent to
request a Fund Grant, which was also served on PacifiCorp and all parties of record in the
proceeding. In this filing, AWEC has identified the PacifiCorp Customer Representation Sub-
Fund as the account from which AWEC intends to request a Fund Grant.

5 Pursuant to Article 6.3 of the Funding Agreement, AWEC files this Proposed
Budget in this case for a PacifiCorp Customer Representation Sub-Fund grant in the amount of
\$30,000. The following information is provided in accordance with Articles 6.3 and 6.6 of the
Funding Agreement.

6 **Statement of work to be performed by AWEC for which AWEC is seeking a
Fund Grant.** AWEC has retained Davison Van Cleve, P.C. to represent it in this Docket.
AWEC will attend all workshops, public meetings, oral presentations and hearings. AWEC will
also conduct discovery in this proceeding. In addition, AWEC will submit expert witness
testimony and briefs as called for by the procedural schedule in this case.

7 **Description of the general areas to be investigated by AWEC.** AWEC intends
to investigate all economic and policy aspects of PacifiCorp's filing. General issues include
review of PacifiCorp's hedging strategy and the prudence of PacifiCorp's 2022 net power costs.
AWEC will also review issues raised by other parties.

8 **Identification of the specific Sub-Fund from which AWEC is seeking a Fund
Grant and an estimate of the amount of available funds in that account, if known.** AWEC
is seeking a Fund Grant from the 2024 PacifiCorp Customer Representation Sub-Fund, which
currently has a balance of \$200,000 to AWEC's understanding.

9 **A budget showing estimated attorney fees, which may include the cost for
appropriate support staff and operational support.** AWEC's proposed budget, setting forth
estimated attorney fees, support staff costs and operational support costs, appears in Exhibit A.

10 **A budget showing estimated consultant fees and expert witness fees, which
may include the cost for appropriate support staff and operational support.** AWEC's

proposed budget, setting forth consultant fees and expert witness fees, is also included in Exhibit A.

11 **Cooperative Efforts.** AWEC is the only party to this proceeding eligible to receive a Fund Grant from the Customer Representation Sub-Fund. Nevertheless, in accordance with Article 6.6 of the Funding Agreement, AWEC coordinated with other organizations that have historically sought a Fund Grant from the PacifiCorp Customer Representation Sub-Fund, namely The Energy Project and the NW Energy Coalition. Neither organization opposes AWEC’s proposed budget.

12 **Additional Considerations.** Article 6.5 of the Funding Agreement sets forth several factors that the Commission may consider when making a determination on budget requests. In aid of the Commission’s decision, AWEC provides the following information:

- a. The complexity of issues in this proceeding are significant. PacifiCorp’s hedging practices have been an issue before the Commission for over ten years, with the Commission concluding in PacifiCorp’s 2021 Power Cost Only Rate Case that PacifiCorp’s hedging strategy raises “significant concerns regarding the prudence of its power costs for Washington customers”¹ which it affirmed in granting AWEC’s Petition for Adjudication in this proceeding. Evaluation of PacifiCorp’s hedging strategy and its 2022 net power costs will require substantial effort and expense by AWEC to ensure just and reasonable rates for industrial customers.
- b. PacifiCorp’s 2022 net power costs were incurred based on PacifiCorp’s decision to hedge for its system as a whole, as opposed to considering hedges for the

¹ Docket No. UE-210402, Order 06 ¶ 147 (Mar. 29, 2022).

benefit of its Washington customers, thus raising a significant policy issue in this case. The procedural schedule in this case assumes a fully litigated case, which requires discovery, pre-filed written testimony, workshops and settlement conferences, as well as a hearing, briefing and any other events the Commission may deem appropriate. As such, AWEC's participation will be extensive.

- c. PacifiCorp seeks to surcharge its Washington customers a total of \$71.5 million (or \$77.3 million grossed up) for its 2022 net power costs. This represents a significant rate increase for PacifiCorp's industrial and large non-residential customers. Any change to PacifiCorp's rates could substantially impact the rates PacifiCorp's charges to its customers, including AWEC's members, and therefore warrants considerable scrutiny.
- d. The Commission has previously recognized AWEC as an "incumbent" organization with a history of representing industrial customers' interests before the Commission,² and determined that "no other party adequately represents the interests of industrial customers."³
- e. AWEC anticipates that its costs will exceed its budget request in this case, assuming a fully litigated proceeding. To the extent that AWEC's costs are greater than Fund Grant amounts, AWEC will bear the costs of its participation. AWEC notes that, as shown in Exhibit A, its proposed budget in this case is much less than the anticipated costs associated with its participation in a fully litigated proceeding.

² Dockets UE-230172 and UE-210852, Order 04/02 at ¶ 12 (May 25, 2023).

³ *Id.* at ¶ 13.

- f. AWEC represents the interests of large energy consumers and has significant experience participating in Commission proceedings involving the Commission and PacifiCorp. In addition, AWEC has participated in numerous previous cases related to setting rates for PacifiCorp. Thus, AWEC possesses significant interest and expertise with respect to this proceeding. AWEC's participation will benefit all PacifiCorp industrial and large non-residential customers.
- g. The level of available funds in the PacifiCorp Customer Representation Sub-Fund for 2024 is \$200,000. As such, AWEC's request is within the limits of available funding.
- h. To the best of AWEC's knowledge, there are ample funds available in the PacifiCorp Customer Representation Sub-Fund in 2024 to accommodate its request in this case and still leave funds available if other significant PacifiCorp dockets arise in 2024.

13 Therefore, AWEC respectfully requests that the Commission issue an order granting a Fund Grant in the amount specified above.

Dated this 14th day of February, 2024.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Sommer J. Moser

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UE-230482

Exhibit A

AWEC Proposed Budget for Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Partner	28	\$325	\$9,100
Of Counsel	60	\$300	\$18,000
Junior Attorney	30	\$275	\$8,250
Paralegal / Law Clerk	25	\$200	\$5,000
<i>Expert Witness Fees</i>			
Expert	39	\$244	\$9,516
<i>Other Expenses</i>			
Travel			\$100
Printing and Postage			\$34
Subtotal			\$50,000
Total AWEC Request for PacifiCorp Customer Representation Sub-Fund Grant			\$30,000